Annual Report

January 1, 1988 - December 31, 1988

SAMA

Saskatchewan
Assessment Management
Agency

89-02806/

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Letters of Transmittal

The Honourable Sylvia O. Fedoruk O.C., S.O.M.
Lieutenant Governor
Province of Saskatchewan
Regina, Saskatchewan

Your Honour:

I have the honour to submit the second Annual Report for the Saskatchewan Assessment Management Agency. The Agency was created on March 1, 1987 and is governed by a Board of Directors. The Agency is responsible for the supervision of assessments in Saskatchewan, a duty previously performed by the Saskatchewan Assessment Authority.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report covers the period of January 1, 1988 to December 31, 1988.

Respectfully submitted,

Jack Klein
Minister-in-Charge
Saskatchewan Assessment Management Agency

The Honourable Jack Klein
Minister-in-Charge
Saskatchewan Assessment Management Agency
Legislative Building
Regina, Saskatchewan

Dear Mr. Klein:

On behalf of the Board of Directors, I have the honour to submit the second Annual Report for the Saskatchewan Assessment Management Agency. The Agency was created on March 1, 1987, taking over the assessment function from the Saskatchewan Assessment Authority.

The Agency operates on a calendar year. The data in this report covers the period of January 1, 1988 to December 31, 1988.

Sincerely yours,

A.H. Hosie
Chairman
Saskatchewan Assessment Management Agency

Mr. Ike Thiessen
President
Saskatchewan Association of Rural Municipalities
2075 Hamilton Street
Regina, Saskatchewan

Mr. Berny Wiens
President
Saskatchewan School Trustees' Association
400 - 2222 - 13th Avenue
Regina, Saskatchewan

Mr. Don Abel
President
Saskatchewan Urban Municipalities Association
1819 Cornwall Street
Regina, Saskatchewan

Dear Sirs:

On behalf of the Board of Directors I have the honour to submit the second Annual Report for the Saskatchewan Assessment Management Agency in accordance with section 19 of *The Assessment Management Agency Act*.

This report covers the period of January 1, 1988 to December 31, 1988.

Sincerely,

A.H. Hosie
Chairman
Saskatchewan Assessment Management Agency

Board of Directors

Board Members, left to right
Joe McKeown, SUMA Representative
Bernard Kirwan, SARM Representative
Arthur Hosie, Board Chairman (seated)
Alphonse Kirzinger, SSTA Representative
Don Abel, SUMA Representative
Karen Keuler, nominated by the Provincial Government (seated)
Sinclair Harrison, SARM Representative

Chairman's Remarks

SAMA's second year as an independent Agency was marked by a renewed emphasis on an old fashioned principle - service to our client groups.

A Board directive was issued instructing our appraisers to make a concerted effort to contact ratepayers during their property inspection. I am very pleased to report that this initiative has resulted in a higher level of ratepayer contact than ever before.

SAMA is also working to provide our client groups with more timely service, targeting a quicker turnaround time for reinspection requests and 100% attendance at all courts and boards of revision and Appeal Committee hearings where our support is requested.

In 1988 SAMA's recently expanded Policy and Research Branch worked diligently on the development of the new assessment manual based on 1987 level values. Once the manual is in place, property assessments will be more in line with their average market value and therefore will be more readily understood by ratepayers in terms of today's dollars.

As well the Agency has developed an innovative and cost effective method of implementing the new manual. A computer assisted system, called a base year rollover, will facilitate the revaluation of all properties in the same year, thereby eliminating the need for equalization.

In 1988 consultation was given high priority on the Board's agenda. We were once again successful in our efforts to open the lines of communication with our client groups. Frank and productive consultation meetings were held with numerous interest groups including elected and appointed municipal officials, assessment personnel from the four major cities and the Saskatchewan Chamber of Commerce.

As the majority of our Board members are elected local government officials, our ties to the concerns of ratepayers are strengthened. The Board has a number of important decisions to make in 1989 regarding the new assessment manual. By working closely with our client groups I am confident that we can successfully meet the challenges of the upcoming year.

Sincerely yours,

A.H. Hosie
Chairman
Saskatchewan Assessment Management Agency

Background

The Saskatchewan Assessment Management Agency was created on recommendation of a commission formed to study issues related to local government finances. The commission reviewed existing assessment policies, outlined problems and recommended solutions.

According to the commission, local governments, the groups most affected by assessment issues, did not have formal participation in the development of assessment policies and practices. Consequently there was a lack of dialogue with local governments about assessment.

To remedy these problems the commission recommended that an independent agency, operated by a Board of Directors consisting of mainly local government officials, be created to take over the assessment function. On March 1, 1987, legislation was enacted creating the Saskatchewan Assessment Management Agency.

Future Directions

In 1991 SAMA will be introducing a new assessment manual to address many of the concerns raised about the present assessment system. A new procedure called a base year rollover will be utilized to implement the new manual. The base year rollover, a cost effective method of keeping values current, will supplement the Agency's physical reinspection program to ensure accuracy. Equalization will be eliminated as all properties are revalued during the same year.

The Board has recommended that a twelve-year assessment cycle be adopted. During the cycle one physical reinspection and two base year rollovers will be conducted to keep values up-to-date.

Duties and Responsibilities

The Saskatchewan Assessment Management Agency is responsible for the valuation of all properties, businesses, equipment and special franchises in Saskatchewan, with the exception of those located in the cities of Moose Jaw, Prince Albert, Regina and Saskatoon.

The Agency was created by *The Assessment Management Agency Act*, responsible to and under the direction of a Board of Directors.

The Act sets out the duties and responsibilities of the Saskatchewan Assessment Management Agency as follows:

(a) Establish and maintain valuations in a manner consistent with and in accordance with the standards pursuant to *The Rural Municipality Act*, *The Urban Municipality Act, 1984*, or *The Northern Municipalities Act*. This includes maintaining the assessment base in every municipality on a yearly basis or as required, as well as performing general reassessments as provided by legislative requirements.

(b) Supervise the administration of the assessment provisions of all municipal Acts. This includes information regarding courts/boards of revision, roll confirmation and interpretation of assessment provisions in various legislative Acts.

(c) Ensure the general public is adequately informed respecting assessment procedures.

(d) Undertake research and studies into valuation practices and procedures and shifts in taxation.

(e) Prepare and establish an assessment manual and other material required for valuation of property and business.

(f) Consult with municipal councils, boards of education, the Government of Saskatchewan, the public and local government organizations, during preparation of the assessment manual and prior to any revaluation, as well as during the review of assessment policy and legislation, and the carrying out of any research or study.

Assessment Overview

Assessments are conducted on businesses and urban, rural and industrial properties. Assessments form the basis on which a tax is levied on property and business owners. Property taxes are levied in order to generate revenue for municipal governments, school boards, hospital districts and library boards.

Rural Land Assessment

On rural property, an assessment is based on the land's productive ability. The inherent characteristics of the soil's climate, texture and profile are rated and adjusted by both physical and economic limitations in the production process. This potential productivity is related to average market values for the 1961 - 1970 period, commonly referred to as 1965 values.

Urban Land Assessment

Urban land in larger municipalities is assessed on a "modified market value" approach tied to 1965 values. In smaller municipalities a greater consideration for land assessment is the "value in use". Adjustments are made to urban land values for municipal infrastructure costs such as sewer, water and paving as well as for lot depth and shape. In rural municipalities there are different rating schedules for country residential, country commercial and major industrial properties.

Improvements

Improvements consist of buildings and structures placed on, over, or under land and anything permanently attached to those buildings. Improvements are valued apart from the land on which they are situated, at 50% of the depreciated replacement cost, based on average construction costs in 1965.

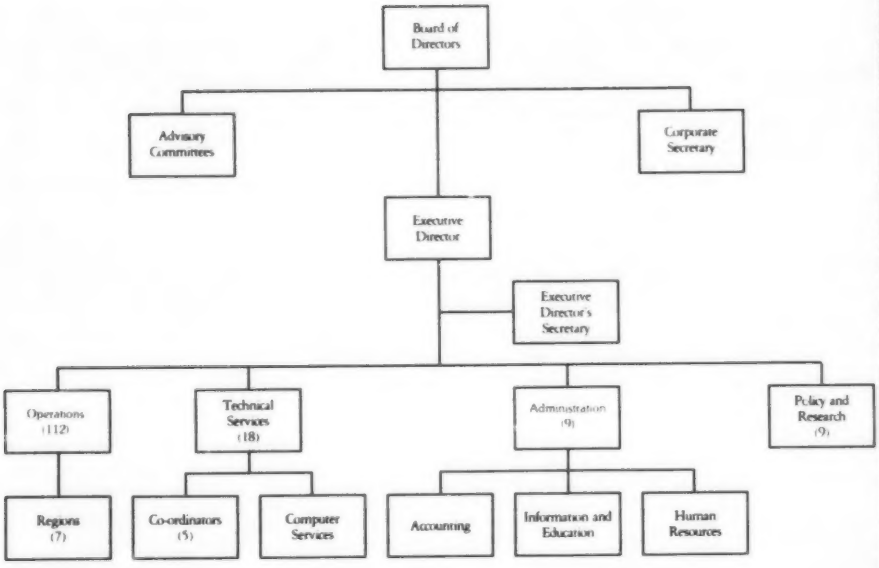
Business Assessment

For all communities except Saskatoon, the "occupied floor space" method is used to assess businesses. Average rates are determined for different kinds of businesses and converted to square footage rates with an adjustment according to the amenities in the community. Saskatoon uses the "rental value" method of business assessment. In Saskatoon, assessments are arrived at by taking a percentage of the gross annual rent for business properties.

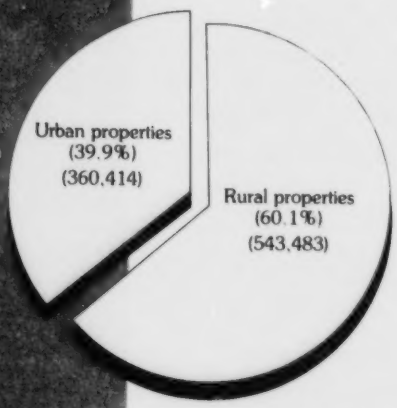
Industrial Equipment Assessment

Industrial equipment is assessed at 100% of its fair value indexed to the 1965 base period. All values include an allowance of 50% for lifetime depreciation, maintenance and downtime.

Organizational Chart



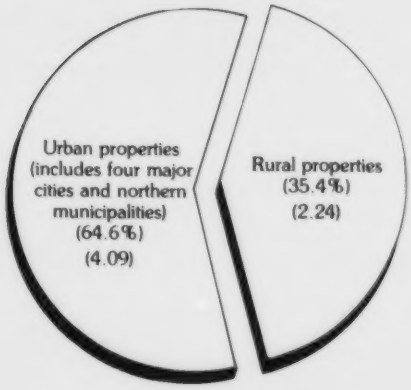
Urban/Rural Property Distribution



The total number of assessable properties in the province is 903,897.

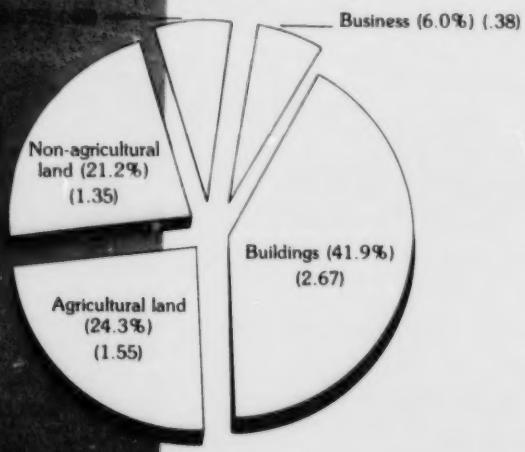
1988 Assessment Values by Urban/Rural Distribution

($ Billions)



1988 Assessment Values by Class of Property

($ Billions)

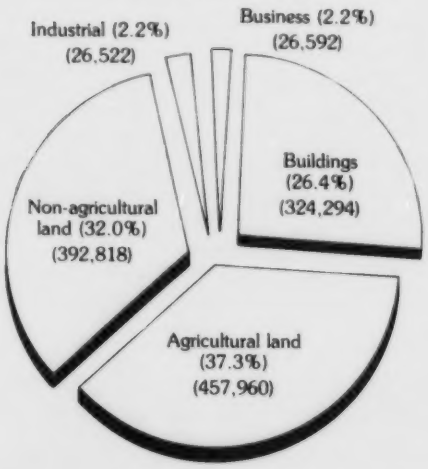


* excludes land and building assessments associated with potash and other mines which are included in non-agricultural land, building and business assessment figures.

The total assessment for all municipalities in the province is $6,406,489,655.

These figures do not represent current market value.

Total Number of Components by Class of Property



The total number of assessable property components in the province is 1,228,186

Operations Branch

The Operations Branch is responsible for all property valuation in the province with the exception of those properties located in the cities of Moose Jaw, Prince Albert, Regina and Saskatoon.

The Assessment Management Agency Act stipulates valuations are to be established and diligently maintained in a manner consistent with *The Rural Municipality Act*, *The Urban Municipality Act, 1984*, and *The Northern Municipalities Act*.

SAMA has seven regional offices located in Melfort, North Battleford, Regina, Saskatoon, Swift Current, Weyburn and Yorkton.

Branch Accomplishments

In 1988 Branch employees conducted maintenance valuations in 266 rural municipalities and 501 urban municipalities; or 89% and 96% of all rural and urban municipalities respectively.

SAMA's appraisers attended 116 boards and courts of revision and 58 Assessment Appeal Committee hearings.

In total Branch staff travelled 1.45 million kilometres on Agency business.

Urban Assessments

During the year under review Agency employees inspected 17,460 buildings; 9% of the total number of buildings in the province. Sixty-seven percent of all buildings received an interior inspection.

Assessment personnel inspected 1,981 businesses: 9.9% of all businesses in the province.

The following urban municipalities were reinspected during the year under review for use on the 1989 Assessment Roll:

Village of Adanac
Village of Alsask
Village of Arelee
Town of Asquith
Village of Aylsham
Town of Battleford
Village of Belle Plaine
Village of Bradwell
Village of Calder
Village of Chamberlain
Resort Village of Chitek Lake
Village of Craven
Town of Creighton
Town of Delisle
Village of Denholm
Village of Denzil
Village of Dinsmore
Village of Drinkwater
Village of Edenwold
Town of Eston
Village of Evesham
Town of Francis
Village of Frontier
Village of Goodsoil
Village of Handel
Village of Hawarden
Village of Hodgeville
Village of Hubbard
Town of Indian Head
Village of Jedburgh
Village of Kelfield
Village of Kenaston
Village of Killaly
Town of Langenburg
Village of Leross
Village of Lintlaw
Village Makwa
Village of Marengo

Village of Mazenod
Village of Meacham
Village of Mervin
Village of Milden
Village of Neudorf
Village of Palmer
Village of Perdue
Village of Pierceland
Town of Ponteix
Village of Primate
Village of Richard
Village of Ruddell
Village of Ruthilda
Village of Salvador
Village of Sedley
Village of Smiley
Village of Sovereign
Village of Spruce Lake
Village of Tantallon
Village of Vanscoy
Town of Wapella
Village of Webb
Village of West Bend
City of Weyburn
Village of Wiseton
Town of Wynyard
Town of Zealandia

The total confirmed aggregate urban assessment for 1988 is $4,091,927,425. This figure includes properties located in the cities of Moose Jaw, Prince Albert, Regina and Saskatoon. The urban total excluding the four major cities is $935,001,318.

Northern Assessment

The total confirmed aggregate northern assessment for 1988 is $70,421,256. This total includes assessment values for properties located in the Northern Saskatchewan Administration District (N.S.A.D.) which were not previously included in the northern assessment total.

Rural Assessment

In 1988 Agency employees conducted 34,845 assessments of farmland: 7.6% of all farmland in the province.

Agency employees were successful in their efforts to contact as many ratepayers as possible. Eighty percent of all rural property owners whose property was reinspected had an opportunity to discuss their assessment with Agency personnel.

The following rural municipalities were reinspected during the year under review for use on the 1989 Assessment Roll:

R.M. 6
R.M. 7
R.M. 37
R.M. 74
R.M. 104
R.M. 155
R.M. 161
R.M. 165
R.M. 185
R.M. 190
R.M. 252
R.M. 273
R.M. 275
R.M. 277
R.M. 307
R.M. 308
R.M. 316
R.M. 402
R.M. 440
R.M. 622

Rural Appraiser Irwin Blank consults with Earl Martin during a rural reinspection.

The total confirmed aggregate rural assessment for 1988 is $2,244,140,974.

Industrial Assessment

In 1988 reinspections were conducted on the following industrial properties:

Pipeline Located In:

R.M. 6	R.M. 190
R.M. 7	R.M. 287
R.M. 37	R.M. 316
R.M. 155	R.M. 440
R.M. 161	R.M. 622
R.M. 165	

Miscellaneous Industrial

Potash Corporation of Saskatchewan, Lanigan Division
Hudson Bay Mining and Smelting Company, Creighton
Premier Saskatchewan (Peat), Carrot River
Saskatchewan Forest Products Corporation, Carrot River
Vista Mines, Northern Saskatchewan

Maintenance was conducted on pipelines in four villages, one town, and 43 rural municipalities.

Maintenance was also carried out for:

two gold mines
four coal mines
two sodium sulphate mines
one grain terminal
three Saskatchewan Power Corporation compressor stations

Appeals on pipelines were handled in five rural municipalities.

The total confirmed aggregate industrial assessment for 1988 is $521,321,820. A portion of the total assessment value for industrial properties has been extracted from the urban and rural assessment totals.

Industrial Co-ordinator Wade Armstrong and Amok's Brian Hickie inspect property at Amok Limited's Cluff Lake Uranium Mine.

Saskatchewan Assessment Management Agency

Regional Boundaries

MANITOBA

ALBERT

Assessment Values by Region

Melfort	$ 450,467,629
North Battleford	711,836,899
Regina	457,380,524
Saskatoon	591,879,418
Swift Current	528,920,371
Weyburn	521,413,500
Yorkton	525,764,174
Total	$3,787,662,515

Number of Components by Region

Melfort	124,793
North Battleford	169,238
Regina	115,950
Saskatoon	152,525
Swift Current	156,676
Weyburn	114,696
Yorkton	118,431
Total	952,309

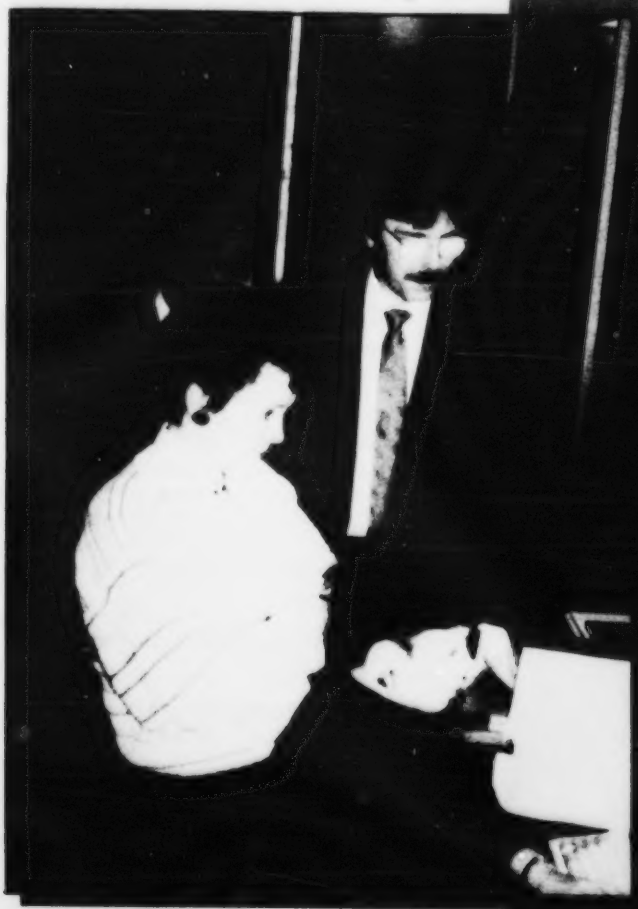
Policy and Research Branch

The Policy and Research Branch is responsible for the development of assessment policy recommendations and the assessment manual. The Branch undertakes impact studies, collects and analyzes statistical data, and develops methods for the equitable valuation of property and businesses.

Branch Highlights

Research was completed on 1987 commercial, residential, industrial and agricultural rating tables and related assessment policies for a new assessment manual. During the year the Branch also analyzed various options for assessing businesses.

Work continued on developing assessment models to forecast the impact of changes in assessment policy on different properties



Left to right, Kefela Ghebre, Lois Harrison, Brad Korbo and Leanne Minken assess the new manual's design.

Technical Services Branch

The Technical Services Branch provides computer support services to the Agency. The Branch co-ordinates and audits all assessments in the province ensuring uniform and correct application of the assessment manual. The Branch also provides assessment information to government agencies and the public.

All annual assessment returns are reviewed and confirmed each year and additional certificates are provided for supplementary assessments when requested by municipalities.

The cities of Moose Jaw, Prince Albert, Regina and Saskatoon maintain their own assessment staff. The Agency, however, is responsible for co-ordinating city assessments to ensure equity province-wide.

Branch Highlights

Thirty-six municipalities took advantage of the Branch's recently developed software package that enables the Agency to provide municipalities with a diskette containing a summary of their assessment values. Corresponding software is required in each municipality before the diskette can be utilized.

In 1988 SAMA provided the cities of Prince Albert and Moose Jaw with a telecommunications link to the Agency's assessment computer database. Both cities were supplied with computer terminals and printers necessary to utilize the new system.

Assessment data in a variety of formats was provided to companies, governments and individuals. During the year under review a revised bylaw was implemented dealing with the dissemination of information. This bylaw established the rules for the distribution of assessment data by the Agency and municipalities.

In 1988 the Branch's rural co-ordinators arranged a soils tour of south-west Saskatchewan for all rural supervisors. New rural employees were given a two-week training course and soils tour. All new employees received a three-week urban training course.

Administration Branch

The Administration Branch provides central support services including budgeting, accounting, recruitment, classification, pay and benefits administration, contract negotiations and employee/employer relations.

The Branch is also responsible for co-ordinating internal and external communications, for educating ratepayers, administrators and councillors about the assessment process and for providing educational opportunities to Agency employees.

Human Resources

As of December 31, 1988, SAMA employed 147 people. One hundred six employees worked out of the Agency's regional offices, with the remaining 41 located in head office.

Branch Highlights

The Human Resources Unit successfully negotiated a new collective agreement for the Agency's 122 in-scope employees. The contract expires in February, 1990.

An increase in the assessment budget provided the Agency with the funds to create ten new field positions. This increase in the number of field staff allowed individual appraisers more time for ratepayer contact.

In total the Human Resources Unit staffed 17 positions in 1988. Six positions were filled as a direct result of the Unit's annual university recruitment program for agrologists.

During the year under review the Human Resources Unit developed an orientation program for new employees. An Industrial Relations Committee was formed to enhance the Agency's labour relations environment.

The Unit also developed an automated Human Resources Information System and implemented a program to handle competition files.

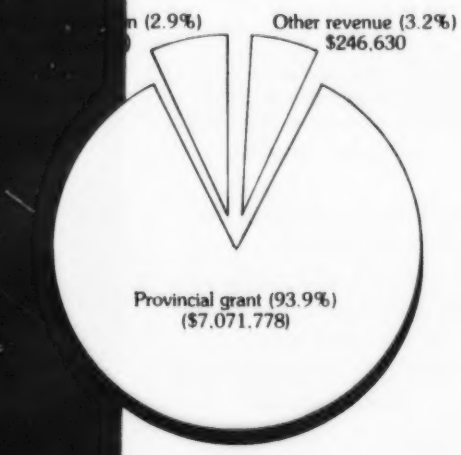
The Agency's communication personnel focused their time and efforts on keeping client groups informed about SAMA's activities and plans for the future.

Twenty-two winter consultation meetings were held for municipal officials at locations around the province. Workshops were conducted at the Saskatchewan Urban Municipalities Association (S.U.M.A.) and Rural Administrators' conventions and presentations were made at S.U.M.A. regional meetings. Agency employees staffed an informational display at the S.U.M.A. and Saskatchewan Association of Rural Municipalities (S.A.R.M.) conventions and wrote and distributed an informational brochure to the Agency's client groups.

The Field Sheet, an internal newsletter, was created to provide SAMA employees with a forum for inter-regional communications.

SAMA continued to provide strong support for training and development activities and is a member of the Trans-Canadian Assessment Training Steering Committee, working to standardize assessment training in Canada.

1988 Revenues
$7,534,834

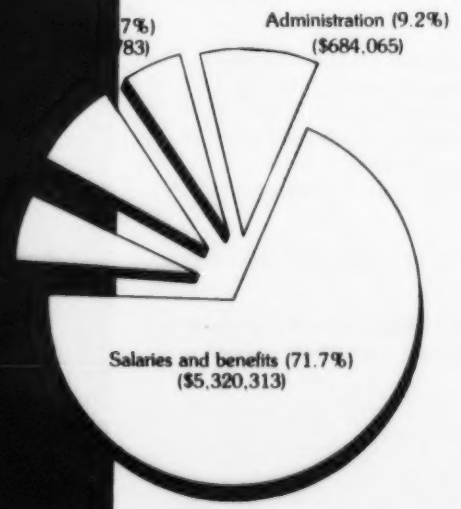


The dollar distribution requisitioned from municipalities is as follows:

*Cities	(15.4%)	$ 33,242
Towns	(23.9%)	51,783
Villages	(10.7%)	23,088
Northern Hamlets	(0.7%)	1,510
Rural Municipalities	(49.3%)	106,803

* not including Moose Jaw, Prince Albert, Regina and Saskatoon.

1988 Expenses
$7,416,646



Touche Ross & Co.
Chartered Accountants
1874 Scarth Street, Suite 1700
Regina, Saskatchewan S4P 4B3
Telephone: 306 525-8791

Touche Ross

The Board of Directors,
Saskatchewan Assessment
Management Agency.

We have examined the balance sheet of the Saskatchewan Assessment Management Agency as at December 31, 1988 and the statements of revenues, expenses and surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present the financial position of the Agency as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Touche Ross & Co.

Regina, Saskatchewan,
January 26, 1989.

Chartered Accountants

	1988	1987
Assets		
Current assets		
Cash and temporary investments	$2.498.874	$ 978.562
Accounts receivable and accrued interest	24.357	32.329
Prepaid expenses	4.929	2.167
	2.528.160	1.013.058
Fixed assets (Note 3)	650.403	615.836
	$3.178.563	$1.628.894
Liabilities		
Current liabilities		
Accounts payable	178.896	368.969
Obligation under capital leases (note 4)	129.699	208.675
Current portion of loan payable (Note 5)	18.348	—
Deferred grant revenue (Note 6)	1.714.055	—
	2.040.998	577.644
Non-current obligation under capital leases (Note 4)	254.479	384.178
Loan payable (Note 5)	97.826	—
	352.305	384.178
	2.393.303	961.822
Surplus		
Surplus	785.260	667.072
	$3.178.563	$1.628.894

On behalf of the Board

..... Director

..... Director

Statement of Revenues, Expenses and Surplus

	1988	1987 (Note 10)
Revenue		
Province of Saskatchewan		
Operating grant (Note 7)	$7,071,778	$5,825,590
Municipal requisitions	216,426	114,374
	7,288,204	5,939,964
Expenses		
Salaries and benefits	5,320,313	3,776,018
Travel and accommodation	654,772	431,395
Computer	395,405	377,071
Office	386,213	334,111
Rent - office	349,783	271,244
Depreciation	162,600	123,168
Professional	57,497	27,484
Interest on capital leases	52,698	42,663
Rent - aircraft	13,047	48,373
Tools and supplies	11,156	8,183
Insurance	9,944	10,311
Bank charges	3,218	1,969
	7,416,646	5,451,990
(Deficiency) excess of revenue over expenses before other revenues	(128,442)	487,974
Other revenues		
Interest	188,655	98,860
Miscellaneous	15,198	6,127
Fees	22,343	8,611
Transition Agreement grant (Note 8)	20,434	65,500
	246,630	179,098
Excess of revenues over expenses for the period	118,188	667,072
Surplus, beginning of period	667,072	—
Surplus, end of period	$ 785,260	$ 667,072

Statement of Changes in Financial Position

	1988	1987 (Note 10)
Cash from operations		
Excess of revenues over expenses for the period	$ 118,188	$ 667,072
Depreciation	162,600	123,168
Deferred grant revenue	1,714,055	—
	1,994,843	790,240
Increase (decrease) in cash due to changes in non-cash components of working capital		
Accounts receivable	7,972	(32,329)
Prepaid expenses	(2,762)	(2,167)
Accounts payable	(190,073)	368,969
Cash generated by operating activities	1,809,980	1,124,713
Financing activities		
(Decrease) increase in obligation under capital leases - current	(78,976)	208,675
- long term	(129,699)	384,178
Increase in loan payable - current	18,348	—
- long term	97,826	—
	(92,501)	592,853
Investing activities		
Purchase of fixed assets	(197,167)	(20,439)
Acquisition of equipment under capital leases	—	(718,565)
	(197,167)	(739,004)
Increase in cash	1,520,312	978,562
Cash, beginning of period	978,562	—
Cash, end of period	$2,498,874	$ 978,562

1. Commencement of operations

The Saskatchewan Assessment Management Agency was established on March 1, 1987 under the authority of *The Assessment Management Agency Act*.

2. Significant accounting policies

The financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policies:

Investments

Investments are stated at the lower of cost and market value.

Amounts receivable

Amounts received from the Province of Saskatchewan under the terms of a transition agreement for reimbursement of employee travel advances have been recorded as a reduction of these advances.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated using the diminishing balance method, except for leasehold improvements which are being amortized using the straight-line method over the life of the lease.

Amounts received from the Province of Saskatchewan in 1987 under the terms of a transition agreement for acquisition of fixed assets have been recorded as a reduction of the cost of these assets.

3. Fixed assets

	Rate	Cost	Accumulated depreciation	Net book value 1988	Net book value 1987
Furniture and equipment	20%	$184,237	$ 10,226	$174,011	$162,131
Computer equipment	20%	184,722	10,923	173,799	131,741
		368,959	21,149	347,810	293,872
Less transition grant (Note 8)		276,840	—	276,840	276,840
		92,119	21,149	70,970	17,032
Equipment under capital leases	20%	718,565	239,522	479,043	598,804
Leasehold improvements	1/5	125,487	25,097	100,390	—
		$936,171	$285,768	$650,403	$615,836

4. Obligation under capital leases

The following is a schedule of future minimum lease payments. All leases expire by December 31, 1992.

Year ending December 31, 1989	$148,823
1990	106,167
1991	104,514
1992	62,788
Total minimum lease payments	422,292
Less imputed interest at 10.75%	38,114
Balance of the obligation	384,178
Portion due within one year	129,699
Non-current obligation, December 31, 1988	$254,479

5. Loan payable

Under the terms of an agreement dated January 20, 1989, the Agency has a loan payable to Saskatchewan Property Management Corporation (SPMC) for renovation costs. The loan matures on December 31, 1993, and is payable in monthly payments of $2,539, including interest at 12% per annum. If the Agency's lease is terminated before the loan matures, the Agency must, within 30 days, repay the balance plus one month's interest at 12%.

6. Deferred grant revenue

The balance pertains to the Province of Saskatchewan's operating grant for the first quarter of 1989 which was received prior to December 31, 1988.

7. Operating grant

Under Section 18 of *The Assessment Management Agency Act*, the Agency is entitled to receive an annual operating grant from the Province of Saskatchewan.

8. Transition agreement grant

Under the terms of a transition agreement signed in 1987 between the Agency and the Province of Saskatchewan, a grant was received for the purpose of certain expenses relating to the establishment of the Agency.

	1988	1987
Grant received per transition agreement	$20,434	$374,240
Less: Amount received for the acquisition of fixed assets	—	(276,840)
Amount received for the reimbursement of employee travel advances	—	(31,900)
Amount recognized as revenue	$20,434	$ 65,500

9. Commitments

Under the terms of a lease expiring March 31, 1989, the Agency leases various office properties from Saskatchewan Property Management Corporation. The monthly payments for length of the lease term are approximately $28,316.

Under the terms of a lease expiring February 28, 1993, the Agency leases property from Urban Core Developers Ltd. for the monthly payments of $1,550.

10. Comparative figures

Comparative figures are for the ten month period ended December 31, 1987.